

Washington, DC - Today, Congressman John Adler announced that additional assistance will be provided to small business owners to help them gain access to more affordable loans. These new provisions complement the tax cuts and additional SBA resources found in the American Recovery and Reinvestment Act, which Adler helped pass into law.

"In Congress, my number one goal is to promote economic development in Southern New Jersey. The Economic Recovery package that I helped pass, and today's announcement by the Administration, will allow our entrepreneurs and local business owners to expand their businesses during these tough economic times,"said Adler, a Member of the Financial Services Committee.

"Small businesses are the backbone of our local economy, and I will always be an advocate for lower taxes and job creation policies."

Over the past year, credit has dried up, and small businesses are having a difficult time accessing affordable business loans. The Administration's plan directs the Treasury Department to purchase securities (bundles of loans) backed by SBA loans. This will help unclog the credit markets, therefore, making loans more accessible to small businesses. Furthermore, to ensure accountability with government funds, the plan requires the largest 21 American banks to disclose how many small business loans they are making every month.

The American Recovery and Reinvestment Act, which Adler helped pass and will save or create 100,000 jobs in New Jersey, provides the following assistance to small business owners:

- Over \$30 billion dollars in tax relief for businesses, including:
- A \$2,400 tax credit for hiring an unemployed veteran or youth;
- New tax credit bonds for the construction of schools, bridges, roads, and other infrastructure projects;
- Allowing small business owners to deduct up to \$250,000 for purchasing equipment and capital purchases;
- Allowing larger businesses to deduct up to 50% of the cost of depreciable property;
- Expand the net operating loss (NOL) tax credit to allow businesses that are not profitable this year to receive a tax credit for taxes paid over the past five years. This will allow them to recover from their current losses during this economic recession.

- An increase of \$730 million for the Small Business Administration (SBA). The Recovery package eliminates fees for the 7(a) and 504 loan programs. These are the most popular SBA loans, and their fees can go as high as 3.75%. Furthermore, the package contains \$225 million for loan subsidies and loan modifications for small businesses that are experiencing immediate financial hardship.

- Over \$13 billion for loans, lines of credit, and capital to small firms, which will create or save more than 400,000 jobs. The government will guarantee up to 90% of an SBA loan. These guarantees will provide banks with the confidence they need to extend credit during the current recession.